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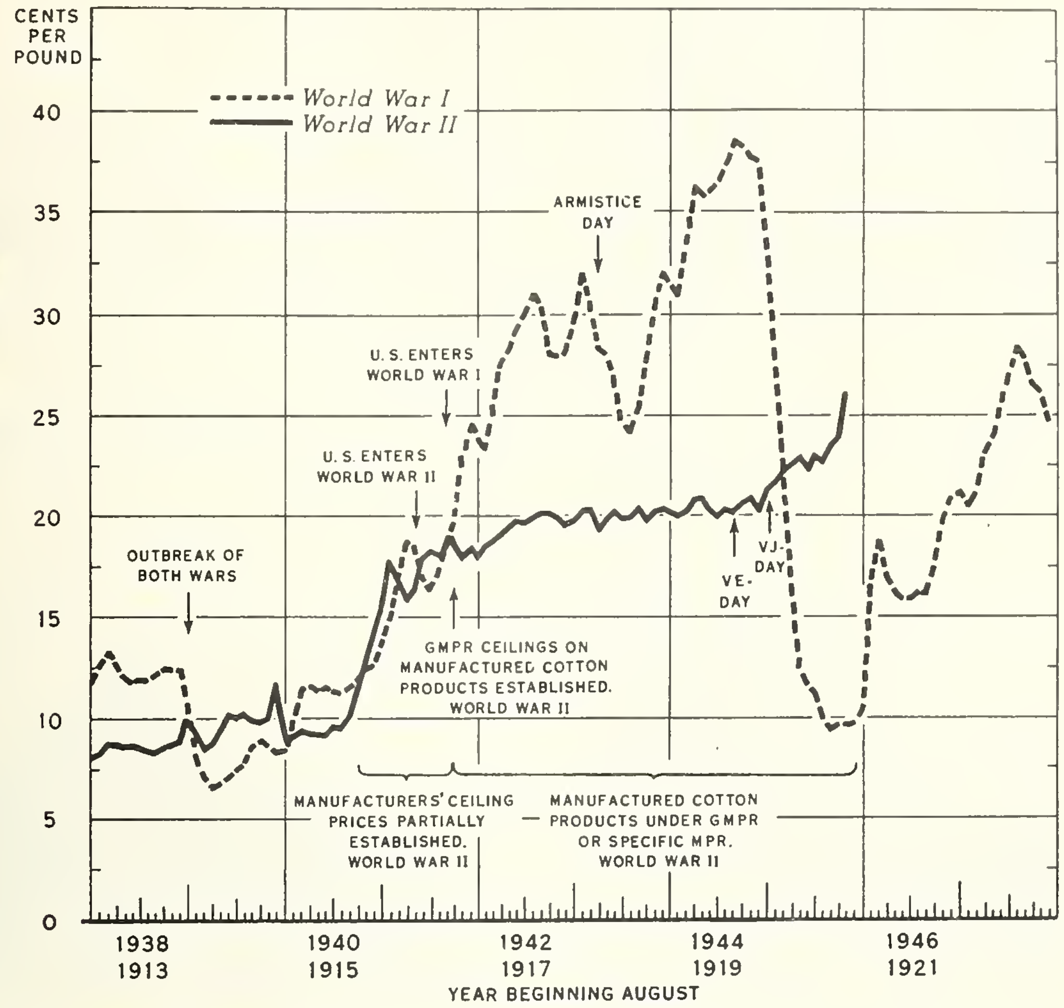
THE Cotton SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

CS - 111 BAE JUNE-JULY 1946

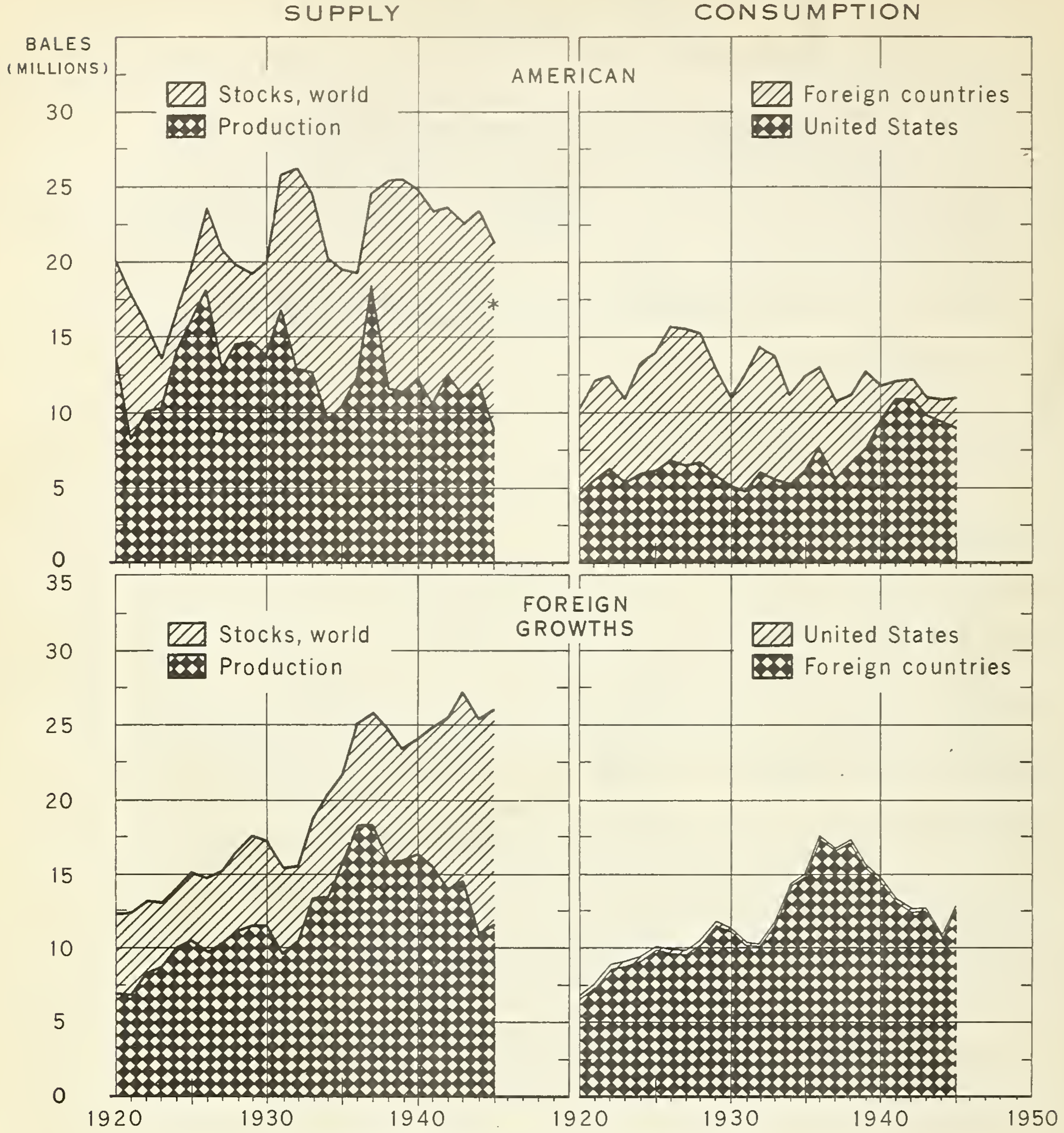
COTTON: PRICES RECEIVED BY FARMERS, AND RELATED INFORMATION, AUG. 1913-22 AND 1938-45



U. S. DEPARTMENT OF AGRICULTURE NEG. 46042 BUREAU OF AGRICULTURAL ECONOMICS

Differences between prices received by farmers for raw cotton in World Wars I and II were caused by several factors including larger stocks of raw cotton in World War II and price controls during World War II on manufactured cotton goods and other products. Between December 1942 and August 1944 these price controls along with price supporting CCC loans and purchases held prices received by farmers for cotton near the 20-cent level, not far from parity. With price controls in effect during World War II, prices paid by farmers went up only 51 percent compared with 98 percent in World War I. Major revisions in price ceilings on cotton manufactures were made in the fall of 1944, in August 1945, and again in March of 1946 in order to permit the reflection of parity to farmers and to compensate manufacturers for rising costs of labor and other raw materials. A large part of the recent rise in raw cotton prices appears to result from uncertainties concerning price control legislation, the small cotton acreage this year, and the improved statistical position of American cotton (see also chart and legend on reverse of this page).

COTTON: AMERICAN AND FOREIGN GROWTHS, SUPPLY AND CONSUMPTION, 1920-45



*STOCKS AUG. 1, 1946 ESTIMATED AT 10.3 MILLION BALES

U. S. DEPARTMENT OF AGRICULTURE NEG. 46043 BUREAU OF AGRICULTURAL ECONOMICS

During the war years a high level of domestic consumption and reduced production reversed the prewar upward trend in world carry-overs of American cotton.

Until the outbreak of World War II, trends in both the supply and consumption of foreign cotton were sharply upward. During the war, military operations and the disruption of trade brought about a sharp decline in mill consumption of foreign growths. Foreign production also declined, but the world carry-over continued to increase and at the end of the war was nearly twice as large as in 1939.

A small 1945 crop, a continuing high level of domestic cotton consumption, and the vigorous export programs of the United States have placed American cotton in a strong position. Taking the longer view, however, carry-over of United States cotton may again turn upward. Domestic and foreign demand may decline, and the domestic production of both cotton and/or competing synthetics may increase either as a result of (1) high cotton prices or (2) a lack of alternative uses for southern land and labor.

THE COTTON SITUATION

Approved by the Outlook and Situation Board, July 19, 1946

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SUMMARY

Cotton prices moved up steadily through June and early July to 35.58 cents per pound on July 18 for middling 15/16-inch cotton at the ten spot markets. This price is 6.47 cents above a month earlier and 12.90 cents above a year earlier. The current strength of the market is largely due to the following developments--(1) the relaxation of price controls, (2) the July 8 Cotton Crop Report of the Department of Agriculture which showed 18.3 million acres of cotton in cultivation July 1, about 1 to 1½ million acres less than anticipated by trade reports published earlier, (3) recent increases in prices paid by farmers and in commodity prices in general, (4) the high rate of domestic consumption, and (5) the improved relationships between supply of and demand for cotton.

The Secretary of Agriculture's announcement on May 28 established premiums and discounts under the 1946 loan program. Loans will be made at 92-1/2 percent of the July 15 parity. On June 15 the price received by farmers for cotton was 112 percent of the parity price for cotton. Announced discounts for the poorer qualities are as much as 250 points wider than those for the 1945 crop.

Mill consumption for the year ending July 31 is now estimated at 9.2 million bales and exports are estimated at 3.5 million bales, which would leave a domestic carry-over of all kinds of cotton on August 1 of 7.6 million bales.

The July 8 Cotton Crop Report places the 1946 acreage of cotton in cultivation July 1 at 18.3 million acres. If this acreage should produce at average yields (1941-45), the 1946 crop would amount to about 9.5 million running bales and supplies of American cotton in the United States for the 1946 crop year would be at the lowest level in 17 years, or about the same as in 1928.

Between February 1946 and the latter part of June the spread between the price of type 5 cotton at Sao Paulo, Brazil, and 15/16-inch cotton at New

Orleans has narrowed about 4 cents. Since early June the margins have widened somewhat. The general narrowing of this spread since February probably results in part from an over-all recognition of the improved world cotton situation.

World consumption of cotton and rayon may be the equivalent of well over 30 million bales next year. During the 1946 crop year, the combined production of cotton and rayon in the world will probably not total over 27 million bales. Present carry-overs of cotton, large as they seem, will fall sharply during the next few years unless the production of cotton and/or rayon is expanded beyond present levels.

According to reports from the International Textile Mission to Japan, about one-fifth of the prewar cotton-textile manufacturing capacity of Japan (the world's largest prewar cotton importer) and about one-third of her rayon production capacity still exist. About 70-80 percent of the 12.3 million spindles which Japan had in place in 1939 were destroyed during the war, but four of Japan's textile machinery manufacturers have the capacity to produce about 800,000 spindles in 1947. Though Japan still has a potential rayon production capacity of 354 million pounds, present material shortages have reduced production to only 13 million pounds, the equivalent of 31,000 bales of cotton.

THE DOMESTIC COTTON SITUATION

Ten Spot Market Price of Cotton Advances beyond 35 Cents

Cotton prices moved up steadily during June at an average rate of about 12 points each day the markets were open. Between June 30 and July 18 the corresponding rate was 36 points. On July 18 the 10 spot market price of middling 15/16-inch cotton averaged 35.58 cents a pound which compares with 29.11 cents a month earlier and 22.68 cents a year earlier. The strength in cotton prices appears to be due to (1) the official crop report that the 1946 cotton acreage in cultivation July 1 is 18.3 million, from one to one and a half million acres less than anticipated in trade reports released earlier

(2) relaxation of price control, (3) the improved relationship between the supply of and demand for cotton which is also reflected in the advance in the price of Brazilian cotton, (4) the current high rate of mill consumption during May and June, (5) reports in late June of considerable boll weevil infestation in the producing areas and (6) recent increases in prices paid by farmers and in commodity prices in general.

For the past several months discounts for the lower grades of cotton have widened as market prices of poor-quality cotton have moved up from support levels. The proportionally large stocks of poor-quality cotton which accumulated during the war are disappearing rapidly as a result of (1) increased domestic consumption of the lower qualities accompanying the widening of discounts, (2) relatively large exports of lower qualities this last year, and (3) the new uses programs.

Loan Program for 1946 Crop Announced

The Secretary of Agriculture announced on May 28 that loans on the 1946 cotton crop would be made at 92-1/2 percent of the July 15 parity price of cotton in accordance with the requirements of Section 8 of the Stabilization Act of 1942, as amended. At the same time premiums and discounts were announced for all qualities of American Upland cotton under the 1946 loan program. These premium and discount rates are based on middling 15/16-inch cotton in the 10 spot markets and reflect August-April average grade and staple premiums and discounts

Discounts under the 1946 loan program for the poorest qualities are as much as 250 points wider. Prices of the lower grades, have heretofore been near the loan levels and there has been a tendency for the loan rates to overprice poor quality cotton. The movement of prices for almost all grades and staples away from the loan rates this last season permitted relatively free reflection of the current supply and demand situation in market premiums and discounts for the first time since the disappearance of the German and Japanese market for poor quality cotton. 1/

Price Movements in World War II compared with World War I

After the outbreak of World War I in August 1914, prices received by farmers for cotton fell from 10.5 to 6.5 cents a pound in November 1914 before beginning the long, but widely fluctuating, upward course which reached a peak of 38.5 cents in April 1920. Prices broke at the beginning of the next crop marketing year and reached a low of 9.5 cents a pound in April of 1921. a decline of 75 percent in one year.

1/ See page 7 February-March 1946 "Cotton Situation" for a discussion of low quality cotton prices.

Prices received by farmers for cotton fell off only slightly after the outbreak of World War II and then started an upward course roughly parallel to the movement in World War I until stabilized near the 20 cent level by price controls on textiles and price-supporting CCC loans and purchases. (See cover chart February March 1946 Cotton Situation for loan and purchase price information.) Almost complete coverage of manufactured cotton products was established by the General Maximum Price Regulation placed in effect in May 1942. Between May 1942 and the end of the war, various cotton products were taken out from under the GMPR and placed under specific Maximum Price Regulations, a move which often permitted price increases. Major revisions in price ceilings so as to permit the reflection of parity to farmers and to compensate manufacturers for rising costs of labor and other raw materials were made in the fall of 1944, August 1945, and March 1946. However, the differences between prices received by farmers for raw cotton in the two wars are not entirely attributable to the imposition of price controls on manufactured cotton products. Among other important factors are (1) World War II price controls on commodities other than cotton manufactures and (2) larger stocks of foreign and domestic cotton which existed in World War II. With price controls in World War II, prices which farmers paid increased only 51 percent in World War II compared with 98 percent in World War I. Recent strength in cotton prices appears to be due to the factors listed on page 5 rather than to the three major price control revisions applying to finished textile products.

Rate of Mill Consumption Up in June

If the daily rate of mill consumption in June is converted to an annual basis, it amounts to 10.1 million bales which compares with an actual consumption of 9.6 million bales during the 1944-45 season. Because the rate in the early part of the season was much lower, total mill consumption for the year ending July 31, 1946, will be below the current rate and is now estimated at 9.2 million bales. The rate of consumption during June was higher than any annual consumption for civilian use on record and is largely attributable to the increased availability of labor, and anticipation of increased ceiling prices on finished goods. Some decline in mill consumption of raw cotton is anticipated during July due to mill repairs and vacations over the July 4th week-end.

Labor is an important Uncertainty in Mill Consumption

The number of persons employed in cotton textile manufacturing (except small wares) has increased from 398,900 in November 1945 to 443,100 in May 1946. Though absenteeism normally increases during the summer, the labor supply situation otherwise has improved and should not be a factor limiting mill consumption of raw cotton during the next few months unless strikes develop out of the unionization drive now under way in the southern textile manufacturing area.

Unionization of the cotton textile manufacturing industry to date has not been as complete as in the coal, automotive and steel industries. In 1945, about one-third of the wage earners in the industry were covered by union agreements embracing approximately 60 percent of the employees in northern mills and less than 20 percent in southern mills. The two principal unions are the Textile

Workers Union of America (CIO) which represents over four-fifths of the workers under agreements and the United Textile Workers of America (AFL) which represents most of the remainder.

In 1945, about 140 agreements were in effect. The two largest agreements covered about 28,000 workers. The largest of these two was negotiated by the New Bedford Cotton Manufacturers Association and the Fall River Textile Manufacturers Association jointly, and the second largest was negotiated by Riverside and Dan River Cotton Mills, Incorporated.

Changes in mill consumption of raw cotton have been associated with hourly earnings in cotton manufactures (except small wares) and gross mill margins. 1/ As would be expected, wider mill margins have been required to maintain or expand raw cotton consumption as hourly earnings have increased.

Exports for the 1945-46 Season will Not reach levels estimated earlier

The Commodity Credit Corporation has experienced considerable difficulties because of strikes in Houston and Galveston in moving the 650,000 bales of cotton which it scheduled for export to Japan this crop year. Exports before July 31 under the United States-Japan arrangement will probably total about 425,000 bales, according to Commodity Credit Corporation estimates, in contrast to the 650,000 which CCC anticipated would be shipped by that date. Furthermore since the German agreement was not signed until July 17, very little if any of the 154,000 bales of cotton scheduled to move to the United States zone of occupation in Germany will leave this country until after August 1. Exports including 70 thousand bales to Japan for the first 10 months of this marketing year totaled nearly 2.8 million bales. Exports for this year should total at least the 3.5 million bales estimated earlier if the Commodity Credit Corporation exports materialize.

July 8 Cotton Crop Report shows 18.3 million acres of cotton in Cultivation.

According to the July 8 crop report, farmers had 18.3 million acres of cotton in cultivation in 1946 which compares with 17.7 million acres in 1945 and the 1935-44 average of 25.6 million. The 1936-45 average abandonment from natural causes was 1.9 percent.

June reports indicated that this year's cotton crop is threatened by boll weevil damage especially in central Texas, southern Mississippi, Georgia, and South Carolina. The boll-weevil damage may be more serious because of a shortage of calcium arsenate and because of a heavier than normal infestation. Areas north of those mentioned above have not been very adversely affected by the weevil.

Recently, weather reports have been more favorable. In summary, the cotton crop is mostly fairly good in the central portion of the Belt and generally good in the eastern and more western sections.

1/ See chart on inside cover page of the February-March 1946 "Cotton Situation".

Carry-over on August 1 to be Below levels anticipated earlier.

If, as estimated, mills consume 9.2 million bales of cotton this season and exports total 3.5 the carry-over of all kinds of cotton in the United States on August 1, 1946 will amount to 7.6 million bales, about .2 million of which will be foreign.

1946-47 Supplies may be at Lowest Levels in 18 years

If the 18.3 million acres of cotton reported in cultivation on July 1, 1946 (after allowing for average natural abandonment) average 260 1/ pounds per acre 9.5 million running bales will be produced. Thus, supplies of all kinds of cotton (excluding imports) for the 1946 crop year, would total only 17.1 million bales, the lowest level in 17 years, or about the same as in 1929.

THE FOREIGN COTTON SITUATION

Spread between Brazilian and American Export Prices Reduced by 4 cents since February

The spread 2/ between the price of 15/16 inch cotton at New Orleans and the price of type 5 at Sao Paulo, Brazil (type 5 price at reported by OFAR) narrowed (by about 4 cents from) February 1946 to the latter part of June. The smallest spread since February 1946 occurred in the week ending June 7. Since that time the spread has widened somewhat. Brazil has an export tax on cotton of about 3/4 cents per pound which, along with the four-cent export payment on American cotton, establishes a 4-3/4 cents differential between domestic prices in the two countries. The general narrowing of the spread which has occurred since February probably results from over-all reappraisals of the longtime cotton situation.

1/ 1941-45 average yield per harvested acre.

2/ Although comparisons are often made between the price series used in this section, it should be noted that there are several reasons why they are not exactly comparable. The qualities of cotton quoted are not exactly equivalent; American cotton is on a grows weight, whereas Brazilian cotton is on a net weight basis and the Brazilian price is at an interior market rather than at a port. Furthermore, there are a number of cost items involved in the movement of these kinds of cotton to an importing country which may differ substantially for the different growths at any particular time. The most important of these include ocean shipping rates and insurance. Nevertheless, changes in the price spreads between these various markets from one time to another, and especially over periods in which shipping rates and other costs remain essentially unchanged, are indicative of changes in the competitive price position of these particular qualities of American and foreign growths.

Japan's Textile Capacity much Below Prewar levels--still Potentially Strong

According to reports from the International Textile Mission to Japan, about one-fifth of Japan's prewar cotton textile manufacturing capacity and about one-third of her rayon production capacity still extist. Estimates prepared by the Commission indicate that about 70-80 percent of the 12.3 million spindles which Japan had in place in 1939 were destroyed during the war but that four of Japan's principal textile machinery manufacturers, who account for 75-85 percent of the industry, have the capacity to produce about 800 thousand spindles and some 16 to 17 thousand looms in 1947 in addition to what they will produce in 1946.

Japan's potential rayon production capacity at the end of the war was estimated at 354 million pounds. Present material shortages have reduced production to only 13 million pounds, the equivalent of 31,000 bales of cotton. It is estimated that only about 118 million of the 34 million pounds of staple fiber in the total capacity could be spun on existing machinery. In 1938 Japanese rayon production was the equivalent of about 1 1/3 million bales of cotton.

In addition to the destruction of textile machinery, the war almost completely wrecked the Japanese economy, thereby depriving her of the means of earning foreign exchange for the purchase of cotton and other materials. The United States arrangement for exporting cotton to Japan is solving this problem with respect to raw cotton imports at least. Prior to the war, the rapidly expanding Japanese textile industry, which had supplanted a substantial part of Britain's textile industry, was one of the most competitive in the world. Its strength was based on efficient management of a large low-paid labor force. The labor force still exists, potentially, and the management is likely to be re-developed. If Japan does not resume her dependence upon rayon (the equivalent of 1-1/3 million bales of cotton in 1938) and is able to secure adequate supplies of raw cotton she will compete with India and China in the Asiatic import market which she dominated prior to the war. The Postwar competition will be keen---India became firmly entrenched during the war--and Chinese textile manufacturers, who were becoming stronger before their country was invaded by Japan, are now making plans to revitalize their industry in order to supply a large share of the Asiatic market.

Prospective world consumption of cotton and rayon Large in relation to present production level

World consumption of cotton and rayon may be the equivalent of well over 30 million bales next year. During the 1946 crop year, the combined production of cotton and rayon in the world will probably not total over 27 million bales. Present carry-overs of cotton, large as they seem, will fall sharply during the next few years unless the production of cotton and/or rayon is expanded beyond present levels.

Table 1. - Cotton acreage in cultivation on July 1, United States, average 1928-32, and 1934-38, annual 1939-46

State	1928-32 average	1934-38 average	1939	1940	1941	1942	1943	1944	1945	1946	10 yr. averages abandonment 1936-45
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	percent
Missouri	379	398	380	414	419	426	375	410	268	310	1.2
Virginia	80	55	33	33	36	41	34	31	19	20	1.7
N. Carolina	1,449	977	754	841	812	861	850	765	566	580	1.2
S. Carolina	1,915	1,410	1,248	1,268	1,235	1,153	1,148	1,089	971	950	0.7
Georgia	3,218	2,275	1,989	1,981	1,866	1,735	1,618	1,368	1,260	1,235	0.7
Florida	128	95	74	68	63	59	45	34	23	23	3.3
Tennessee	1,082	802	733	729	690	725	723	665	605	600	0.9
Alabama	3,416	2,303	2,100	2,037	1,791	1,722	1,627	1,429	1,411	1,510	0.8
Mississippi	4,018	2,880	2,662	2,658	2,458	2,438	2,515	2,365	2,286	2,420	1.4
Arkansas	3,454	2,375	2,187	2,161	2,086	2,021	1,888	1,801	1,554	1,660	1.7
Louisiana	1,869	1,321	1,154	1,199	1,071	1,028	1,025	938	866	900	1.4
Oklahoma	3,804	2,408	1,855	1,900	1,731	1,872	1,554	1,524	1,179	1,120	4.2
Texas	16,049	11,132	8,874	8,873	8,119	8,430	7,915	7,354	6,133	6,350	2.5
New Mexico	126	114	96	110	122	134	112	115	117	116	1.7
Arizona	188	201	189	221	255	274	204	145	154	145	0.4
California	227	359	334	356	356	361	291	303	319	359	0.5
All other	21	26	21	22	20	22	18	18	18	18	1.9
United States	41,423	29,131	24,683	24,871	23,130	23,302	21,942	20,354	17,749	18,316	1.9

Compiled from reports of the Crop Reporting Board

Table 2-American upland cotton; Premiums and discounts under the 1946 loan programs of Commodity Credit Corporation
(Basis 15/16-inch, middling)

Grade	Staple length in inches													
	13/16	7/8	29/32	15/16	31/32	1	1-1/32	1-1/16	1-3/32	1-1/8	1-5/32	1-3/16	1-7/32	1-1/4 and longer
	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.
WHITE & EXTRA WHITE														
Good Middling & better	-265	-110	-30	+45	+60	+80	+100	+155	+235	+405	+720	+955	+1090	+1235
Strict Middling	-275	-120	-40	+35	+45	+65	+90	+140	+210	+375	+690	+930	+1065	+1205
Middling	-305	-155	-75	Base	+15	+30	+50	+105	+140	+280	+560	+785	+945	+1090
Strict Low Middling	-460	-305	-230	-145	-125	-115	-90	-65	+5	+95	+285	+455	+545	+665
Low Middling	-770	-615	-550	-465	-465	-445	-440	-430	-385	-350	-325	-300	-280	-260
Strict Good Ordinary	-980	-830	-775	-705	-705	-700	-700	-700	-700	-700	-700	-700	-700	-700
Good Ordinary	-1105	-955	-895	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820
SPOTTED														
Good Middling	-355	-205	-150	-65	-60	-45	-30	Even	+25	+125	+250	+350	+425	+525
Strict Middling	-375	-225	-175	-85	-80	-65	-50	-20	Even	+100	+225	+325	+400	+500
Middling	-555	-390	-340	-250	-245	-235	-220	-200	-195	-110	-35	+35	+110	+185
Strict Low Middling	-805	-640	-605	-535	-535	-525	-525	-520	-520	-520	-510	-495	-495	-495
Low Middling	-980	-830	-795	-705	-705	-700	-695	-695	-695	-695	-695	-695	-695	-695
TINGED														
Good Middling	-625	-480	-445	-360	-360	-350	-350	-345	-345	-320	-295	-255	-230	-205
Strict Middling	-645	-510	-470	-390	-390	-375	-375	-365	-365	-345	-320	-280	-255	-230
Middling	-895	-745	-700	-625	-625	-620	-620	-615	-600	-585	-585	-580	-580	-580
Strict Low Middling	-1030	-895	-850	-780	-780	-780	-780	-775	-775	-775	-775	-775	-775	-775
Low Middling	-1130	-1000	-955	-890	-890	-885	-885	-885	-885	-885	-885	-885	-885	-885
YELLOW STAINED														
Good Middling	-890	-735	-695	-635	-635	-630	-630	-630	-630	-625	-625	-625	-625	-625
Strict Middling	-910	-760	-720	-660	-660	-655	-655	-655	-655	-650	-645	-645	-645	-645
Middling	-1020	-870	-830	-770	-770	-765	-765	-765	-765	-765	-765	-765	-765	-765
GRAY														
Good Middling	-480	-335	-300	-225	-215	-205	-185	-165	-130	-5	+45	+120	+170	+245
Strict Middling	-555	-415	-375	-300	-290	-280	-260	-240	-170	-45	+5	+80	+130	+205
Middling	-665	-525	-480	-410	-405	-395	-385	-375	-335	-295	-270	-245	-220	-195

Compiled from reports of the Cotton Branch, Production and Marketing Administration.

Table 3.- Wage rates per day without board, on July 1, principal cotton-growing States and United States, 1923-46

Year	N. C.	S. C.	Ga.	Ala.	Tenn.	Miss.	Mo.	Ark.	La.	Okla.	Tex.	N. Mex.	Ariz.	Calif.	U. S.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
1923	1.97	1.21	1.27	1.31	1.56	1.51	2.18	1.68	1.46	1.97	1.86	2.00	2.40	4.00	2.36
1924	1.98	1.35	1.30	1.50	1.60	1.55	2.20	1.65	1.55	2.20	2.15	2.00	2.25	3.40	2.34
1925	2.20	1.40	1.35	1.45	1.55	1.50	2.25	1.65	1.50	2.25	1.85	2.00	2.60	3.60	2.32
1926	1.90	1.35	1.40	1.50	1.65	1.55	2.20	1.60	1.60	2.40	2.00	2.10	2.65	3.65	2.34
1927	1.85	1.30	1.35	1.40	1.55	1.55	2.25	1.55	1.55	2.15	1.80	2.15	2.35	3.60	2.30
1928	1.85	1.25	1.35	1.40	1.50	1.60	2.15	1.50	1.45	2.20	1.85	2.20	2.50	3.60	2.28
1929	1.80	1.20	1.30	1.40	1.55	1.55	2.20	1.65	1.50	2.05	1.95	2.20	2.75	3.55	2.31
1930	1.55	1.10	1.20	1.25	1.40	1.45	2.05	1.50	1.40	1.90	1.75	2.20	2.50	3.60	2.15
1931	1.15	.80	.90	.85	1.15	.95	1.65	1.05	1.05	1.35	1.30	1.50	2.15	2.80	1.68
1932	.80	.55	.60	.60	.80	.65	1.20	.70	.75	1.00	.90	1.20	1.50	2.10	1.19
1933	.75	.55	.60	.60	.80	.65	1.05	.75	.80	1.00	.90	1.10	1.35	1.85	1.10
1934	1.00	.70	.75	.80	.90	.75	1.10	.90	.70	1.20	1.10	1.40	1.90	2.30	1.27
1935	1.05	.70	.80	.80	.95	.85	1.25	.90	.90	1.30	1.20	1.45	1.80	2.50	1.35
1936	1.10	.75	.80	.85	.95	.85	1.40	.95	.95	1.35	1.30	1.50	1.90	2.60	1.44
1937	1.20	.80	.95	.95	1.05	1.05	1.70	1.10	1.05	1.75	1.40	1.65	2.05	3.10	1.66
1938	1.20	.85	.85	.90	1.05	.95	1.50	1.05	1.00	1.60	1.35	1.60	2.05	2.95	1.63
1939	1.20	.80	.90	.90	1.05	.95	1.50	1.05	1.05	1.55	1.30	1.65	2.10	2.80	1.59
1940	1.20	.85	.90	.85	1.05	1.00	1.55	1.05	1.05	1.50	1.30	1.65	2.10	2.85	1.62
1941	1.35	.95	1.00	1.00	1.20	1.05	1.90	1.20	1.15	1.90	1.60	1.90	2.30	3.35	1.98
1942	1.70	1.15	1.25	1.35	1.45	1.30	2.30	1.60	1.35	2.55	2.05	2.40	3.00	4.50	2.45
1943	2.30	1.50	1.70	1.85	1.95	1.80	3.05	2.20	1.85	3.50	3.00	3.25	4.55	6.45	3.34
1944	2.70	1.90	2.15	2.20	2.35	2.30	3.80	2.60	2.40	4.15	3.75	4.25	5.10	7.30	4.06
1945	3.20	2.20	2.50	2.60	2.60	2.55	4.00	3.00	2.70	4.85	4.25	4.50	5.10	7.80	4.48
1946	3.75	2.65	2.95	2.80	2.95	3.00	4.50	3.40	3.00	5.00	4.40	4.70	5.50	8.10	4.84

Compiled from Farm Wage Rates, Farm Employment, and Related Data, January 1943, and the July 1946 Farm Labor Report, Bureau of Agricultural Economics.

Table 4.-.Cotton: Exports from the United States to specified countries, average 1934-38, and annual 1939-45

Country of designation	1934-38 average	1939 1/	1940	1941	1942	1943	1944	1945 2/ Aug.-May
		Year beginning August						
	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales
Austria and Hungary	1,440	16,090	0	0	0	0	0	0
Belgium	137,235	199,899	0	0	0	0	72,295	56,447
Bulgaria	1,831	819	0	0	0	0	0	0
Czechoslovakia	60,819	0	0	0	0	0	27,105	56,550
Denmark	32,388	25,784	0	0	0	0	0	0
Estonia	10,059	5,011	0	0	0	0	0	0
Finland	32,441	27,292	25,744	0	0	0	0	9,593
France	552,541	724,025	0	0	0	0	438,983	730,082
Germany	546,452	18,992	0	0	0	0	0	0
Greece	2,258	10,618	500	0	0	0	22,325	18,438
Italy	406,592	542,400	0	0	0	0	0	331,019
Latvia	6,226	4,234	0	0	0	0	0	0
Lithuania	193	200	0	0	0	0	0	0
Netherlands	79,309	159,876	0	0	0	0	20,941	27,370
Norway	12,259	27,347	0	0	0	0	5,117	0
Poland and Danzig	209,013	5,253	0	0	0	0	26,112	92,346
Portugal	35,993	32,629	375	150	0	0	0	0
Rumania	1,250	3,398	0	0	0	0	0	0
Spain	93,128	270,459	0	0	109,293	179,281	266,137	117,446
Sweden	86,937	191,241	41,686	33,037	0	2,188	2,234	1,322
Switzerland	2,195	39,363	3,696	7,729	0	912	8,691	23,640
U.S.S. Republics	22,466	0	139,057	0	0	0	0	0
United Kingdom	1,049,055	1,904,877	420,307	791,264	1,017,418	632,932	643,048	260,386
Yugoslavia	9,390	33,192	1,200	0	0	0	22,279	86,879
Total Europe	3,391,470	4,242,999	632,565	832,180	1,126,711	815,313	1,555,267	1,815,513 3/
British India	42,426	89,766	1,000	0	0	0	0	0
Canada	251,086	412,424	171,939	217,528	321,995	305,883	364,026	269,758
China	53,421	408,024	94,699	12,660	0	0	0	574,187
Japan	1,221,770	914,254	117,828	15,918	0	0	0	69,800
Other countries	67,108	124,245	93,866	46,704	31,564	16,901	5,084	25,315
Total all countries	5,027,281	6,191,712	1/1,111,897	1,124,990	1,480,270	1,138,097	1,924,377	2,754,573

1/ Preliminary, as revised exports by countries are not available. Revised total is 6,162,000 bales.
2/ Preliminary. 3/ Includes 3,995 bales exported to Albania. Compiled from reports of the Department of Commerce.

Table 5.- Gross farm income, 10 specified cotton states, 1924-45 1/

Year	Gross farm income									Income from cotton and cottonseed as a percentage of	
	Cotton and cotton-seed	Other crops	All crops	Livestock and products	Cash income from sales	Govern-ment payments	Sales plus govt. payments Total cash income	Value of home con-sumption	Total gross income	Cash income from sales	Total gross income
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent	Percent
1924	1,586,614	539,006	2,125,620	456,091	2,581,711	-	2,581,711	602,288	3,183,999	61	50
1925	1,697,884	513,927	2,211,811	527,598	2,739,409	-	2,739,409	660,438	3,399,847	62	50
1926	1,170,602	589,528	1,760,130	546,717	2,306,847	-	2,306,847	685,639	2,992,486	51	39
1927	1,450,206	577,968	2,028,174	595,228	2,623,402	-	2,623,402	646,280	3,269,682	55	44
1928	1,392,805	568,685	1,961,490	680,074	2,641,564	-	2,641,564	632,507	3,274,071	53	43
1929	1,425,242	549,755	1,974,997	669,279	2,644,276	-	2,644,276	648,437	3,292,713	54	43
1930	774,610	460,725	1,235,335	534,414	1,769,749	-	1,769,749	593,203	2,362,952	44	33
1931	466,704	339,719	806,423	376,979	1,183,402	-	1,183,402	498,407	1,681,809	39	28
1932	436,041	262,590	698,631	288,285	986,916	-	986,916	401,829	1,388,745	44	31
1933	547,103	329,046	876,149	308,559	1,184,708	111,240	1,295,948	403,850	1,699,798	46	32
1934	794,978	429,198	1,224,176	365,261	1,589,437	170,315	1,759,752	450,839	2,210,591	50	36
1935	666,422	459,704	1,126,126	465,249	1,591,375	203,104	1,794,479	522,793	2,317,272	42	29
1936	824,853	491,375	1,316,228	518,955	1,835,183	83,497	1,918,680	544,376	2,463,056	45	33
1937	800,497	606,848	1,407,345	625,394	2,032,739	127,057	2,159,796	561,835	2,721,631	39	29
1938	582,474	532,555	1,115,029	577,347	1,692,376	234,682	1,927,058	519,347	2,446,405	34	24
1939	550,976	521,725	1,072,701	604,341	1,677,042	328,467	2,005,509	509,080	2,514,589	33	22
1940	582,414	502,301	1,084,715	612,704	1,697,419	290,576	1,987,995	500,576	2,488,571	34	23
1941	920,205	642,195	1,562,400	803,803	2,366,203	225,905	2,592,108	566,006	3,158,114	39	29
1942	1,117,533	987,658	2,105,191	1,169,254	3,274,445	219,143	3,493,588	673,589	4,167,177	34	27
1943	1,190,170	1,225,152	2,415,322	1,576,644	3,991,966	173,364	4,165,330	821,937	4,987,267	30	24
1944	1,357,157	1,535,923	2,893,080	1,539,636	4,432,716	187,142	4,619,858	848,270	5,468,128	31	25
1945	931,198	1,656,720	2,587,918	1,644,404	4,232,322	144,014	4,376,336	881,125	5,264,461	22	18

1/ Calendar-year income in North Carolina, South Carolina, Georgia, Tennessee, Alabama, Mississippi, Arkansas, Louisana, Oklahoma and Texas.

Table No. 6 - Gross farm income per person in farm population, 10 specified cotton states, 1924-45 1/

Year	Farm population January 1	Per capita gross farm income								
		Cotton and cottonseed	Other crops	All crops	Livestock and products	All sales	Government payments	Sales plus Government payments	Value of home consumption	Total Gross Income
	Thousands	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
1924	13,226	120	41	161	34	195			46	241
1925	13,240	128	39	167	40	207			50	257
1926	13,196	89	44	133	42	175			52	227
1927	12,966	112	44	156	46	202			50	252
1928	12,998	107	44	151	52	203			49	252
1929	13,076	109	42	151	51	202			50	252
1930	13,072	59	36	95	41	136			45	181
1931	13,097	36	26	62	29	91			38	129
1932	13,231	33	20	53	22	75			30	105
1933	13,553	40	25	65	23	88	8	96	30	126
1934	13,443	59	32	91	27	118	13	131	33	164
1935	13,393	50	34	84	35	119	15	134	39	173
1936	13,274	62	37	99	39	138	7	145	41	186
1937	13,134	61	46	107	48	155	9	164	43	207
1938	13,100	44	41	85	44	129	18	147	40	187
1939	13,049	42	40	82	47	129	25	154	39	193
1940	12,917	45	39	84	47	131	23	154	39	193
1941	12,762	72	50	122	63	185	18	203	44	247
1942	12,297	91	80	171	95	266	18	284	55	339
1943	11,162	107	109	216	141	357	16	373	74	447
1944	10,488	129	147	276	147	423	18	441	81	522
1945	10,176	92	162	254	162	416	14	430	87	517

1/ Calendar-year income in N. C., S. C., Ga., Tenn., Ala., Miss., Ark., La., Okla., and Texas divided by farm population on January 1 in the same 10 States.

Table 7.- STATISTICAL SUMMARY

Item	Unit or base period	1945	1946			Pct. of year ago 1/
		June	April	May	June	
Prices:						
Middling 15/16-inch, 10 markets	Cent	22.69	27.70	27.44	29.15	128.5
Farm, United States	Cent	20.90	23.59	24.09	25.98	124.3
Parity	Cent	21.45	22.44	22.82	23.19	108.1
Farm, percentage of parity	Percent	97	105	106	112	115.5
Premium of 1-1/8 inch over basis 2/						
Memphis	Point	405	108	130	175	43.2
Carolina "B" mill area.	Point	573	312	300	316	55.1
Cloth, 17 constructions	Cent	42.32	50.37	50.79	50.79	120.0
Mill margin, 17 constructions	Cent	19.92	23.09	23.73	22.01	110.5
Cottonseed, farm price	Dollar	52.50	48.00	49.60	51.50	98.1
Cottonseed, parity	Dollar	39.00	40.80	41.50	42.20	108.2
Cottonseed, farm pct. of parity	Percent	135	118	120	122	90.4
Consumption:						
All kinds during month, total	1,000 bales	785.9	813.7	871.6	792.7	100.9
All kinds cumulative, total	1,000 bales	8,895.0	6,771.9	7,643.4	8,436.1	94.8
All kinds per day, total	Bale	37,871	37,557	38,736	39,633	104.7
All kinds, annual rate	Million bales	9.6	9.6	9.9	10.1	105.2
American-Egyptian cotton, total	Bale	3,859	1,503	1,783	1,063	27.5
American-Egyptian, cumulative	Bale	40,409	15,567	17,350	18,413	45.6
Foreign cotton, total	Bale	11,397	19,299	21,259	20,852	183.0
Foreign cotton, cumulative	Bale	109,125	135,266	156,525	177,377	162.5
Stocks, end of month:						
Consuming establishments	1,000 bales	2,036.7	2,387.8	2,331.8	2,280.9	112.0
Public storage and compresses	1,000 bales	9,192.0	7,605.7	6,410.4	5,381.6	58.5
Total 3/	1,000 bales	11,228.7	9,993.5	8,742.2	7,662.5	68.2
Egyptian cotton, total 3/	Bale	56,101	64,746	53,734	53,763	95.8
American-Egyptian cotton, total 3/	Bale	34,805	19,861	11,265	7,684	22.1
Index numbers:						
Cotton consumption	1935-39 = 100	144	144	149	152	105.6
Prices paid, interest, and taxes	1910-14 = 100	173	181	184	187	108.1

1/ Applies to last month for which data are available.

2/ Premiums for Middling 1-1/8 inch, based on near active month futures at New York.

3/ Includes only stocks in mills and public storage and at compresses.

Compiled from official sources.